MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

Provincial Auditor Saskatchewan

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SASKATCHEWAN

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Municipal Potash Tax Sharing Administration Board, which comprise the statement of financial position as at December 31, 2011, and the statement of operations and net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2011, and the results of its operations and changes in its net assets for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
March 26, 2012

Bonnie Lysyk, MBA, CA
Provincial Auditor

Statement 1

Municipal Potash Tax Sharing Administration Board
Statement of Financial Position
As at December 31

	2011	2010
Financial Assets		
Cash	$15,303	$17,145
Total Financial Assets	$15,303	$17,145
Net Financial Assets - (Statement 2)	$15,303	$17,145

(see accompanying notes to the financial statements)

Municipal Potash Tax Sharing Administration Board
Statement of Operations and Net Assets
For Year Ended December 31

			2011	2010
Revenue:				
Municipal taxes received from rural municipalities (Note 5)			$15,822,949	$10,454,818
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon Lanigan	$9,550,345	$1,061,150	10,611,495	7,003,302
Esterhazy	3,996,288	444,032	4,440,320	2,734,174
Pense	679,780	75,531	755,311	696,432
	$14,226,413	$1,580,713	15,807,126	10,433,908
Revenue held for general administration (Note 4)			15,823	20,910
Expenditures:				
Office facilities - Saskatchewan Association of Rural Municipalities			10,000	10,000
Secretary - Treasurer's Honorarium & Per Diem			6,000	6,000
Board Member Per Diems			1,000	1,000
Board Members Travel			231	-
Bank Charges			134	-
Insurance			300	300
			17,665	17,300
Surplus (Deficit) for the year			(1,842)	3,610
Net assets, beginning of year			17,145	13,535
Fund balance, end of year - to Statement 1			$15,303	$17,145

(see accompanying notes to the financial statements)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

1. Authority

The Municipal Potash Tax Sharing Administration Board (Board) was established under Section 3 of *The Municipal Tax Sharing (Potash) Act* (Act). Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers the tax sharing program established under the Act. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations to the Act.

2. Significant Accounting Policies

These financial statements have been prepared using generally accepted accounting principles as recommended by the Public Service Accounting Board of the Canadian Institute of Chartered Accountants. The following accounting policies are considered significant.

a) Revenue

The municipal taxes received from rural municipalities are recognized as revenue when received or receivable.

b) Tax Sharing Distributions

Tax sharing distributions are recorded as an expense when the calculations have been approved by the Board.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of $25,000, for the general administration of the Board. During the year, the Board withheld 0.10% (2010 - 0.20%) of taxes received totalling $15,823 (2010 - $20,910).

5. Municipal Taxes From Rural Municipalities

Municipality	RM#	Budget 2011	Actual 2011	Actual 2010
Rocanville	151	$ 1,891,645	$ 1,891,646	$ 1,223,856
Spy Hill	152	1,569,577	1,569,579	826,785
Pense	160	756,067	756,067	697,828
Langenburg	181	983,541	983,541	689,012
Usborne	310	2,881,715	2,881,703	1,816,978
Colonsay	342	1,174,808	1,174,803	758,764
Blucher	343	2,053,214	2,053,470	1,266,379
Corman Park	344	2,559,707	2,533,034	1,616,590
Vanscoy	345	1,979,114	1,979,106	1,558,626
		$15,849,388	$15,822,949	$10,454,818

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Board.

7. Distribution of Funds

As per Section 7(1) of the General Regulations under *The Municipal Potash Tax Sharing (Potash) Act*, the funds available for distribution to municipalities are disbursed to the municipalities in each unit with 90% being paid to the rural municipalities and 10% being paid to the urban municipalities.

Schedule 1

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

		Budget 2011	Actual 2011	Actual 2010
Saskatoon/Lanigan Area				
Rural Municipalities				
279	Mount Hope	$ 151	$ 150	$ 103
280	Wreford	59,175	59,027	37,340
281	Wood Creek	4,601	4,589	3,145
283	Rosedale	5,017	5,001	3,108
309	Prairie Rose	210,068	209,545	152,056
310	Usborne	1,125,943	1,123,141	691,387
312	Morris	640,801	639,206	437,968
313	Lost River	445,775	444,665	304,644
314	Dundurn	276,092	275,405	188,739
315	Montrose	249,318	248,697	202,191
316	Harris	60,531	60,389	37,601
339	Leroy	148,257	147,888	101,304
340	Wolverine	1,032,567	1,029,998	707,048
341	Viscount	648,648	647,034	405,802
342	Colonsay	849,166	847,052	580,285
343	Blucher	835,317	833,289	573,850
344	Corman Park	763,993	762,092	487,720
345	Vanscoy	1,219,734	1,216,699	725,395
346	Perdue	325,834	325,023	207,113
370	Humboldt	7,148	7,130	5,187
371	Bayne	92,137	91,907	59,043
372	Grant	167,117	166,701	114,504
373	Aberdeen	336,310	335,473	229,397
376	Eagle Creek	70,419	70,244	48,042
		9,574,119	9,550,345	6,302,972
Urban Municipalities				
Town of Aberdeen		23,671	23,612	15,583
Town of Allan		113,368	113,086	74,634
Town of Asquith		25,872	25,807	17,032
Village of Bradwell		32,699	32,618	21,527
Village of Clavet		61,984	61,830	40,806
Town of Colonsay		76,357	76,168	50,269
Town of Dalmeny		57,492	57,350	37,849
Town of Delisle		161,338	160,938	106,215
Village of Drake		10,421	10,395	6,860
Village of Elstow		16,349	16,309	10,763
Village of Kinley		1,572	1,568	1,035
Town of Langham		47,611	47,493	31,344

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2011	Actual 2011	Actual 2010
Saskatoon/Lanigan Area			
Urban Municipalities			
Town of Lanigan	200,685	200,186	132,118
Town of Martensville	1,437	1,434	946
Village of Meacham	3,144	3,136	2,070
Village of Perdue	16,529	16,488	10,882
Village of Plunkett	3,369	3,360	2,218
Village of Vanscoy	60,906	60,755	40,097
Village of Viscount	45,096	44,984	29,688
Town of Vonda	14,463	14,427	9,521
Town of Warman	10,600	10,574	6,978
Town of Watrous	61,625	61,472	40,570
Village of Young	11,813	11,784	7,777
Village of Zelma	5,390	5,376	3,548
	1,063,791	1,061,150	700,330
Area Total	10,637,910	10,611,495	7,003,302
Esterhazy Area			
Rural Municipalities			
121 Moosomin	110,032	110,032	71,660
122 Martin	36,837	36,837	23,975
151 Rocanville	685,940	685,940	441,936
152 Spy Hill	1,155,913	1,155,913	705,242
153 Willowdale	69,651	69,651	42,626
181 Langenburg	828,169	828,169	521,253
183 Fertile Belt	777,173	777,173	442,336
211 Churchbridge	204,866	204,866	133,684
213 Saltcoats	127,707	127,707	78,044
	3,996,288	3,996,288	2,460,756
Urban Municipalities			
Village of Atwater	731	731	482
Village of Bangor	1,463	1,463	964
Town of Bredenbury	9,624	9,624	6,344
Town of Churchbridge	20,594	20,594	13,575
Town of Esterhazy	195,176	195,176	109,375
Village of Gerald	14,510	14,510	9,565
Town of Langenburg	29,955	29,955	19,746
Town of Rocanville	101,684	101,684	67,029

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2011	Actual 2011	Actual 2010
Esterhazy Area			
Urban Municipalities			
Village of Spy Hill	23,519	23,519	15,504
Village of Stockholm	9,449	9,449	6,228
Village of Tantallon	12,286	12,286	8,099
Village of Welwyn	16,616	16,616	10,953
Village of Yarbo	8,425	8,425	5,554
	444,032	444,032	273,418
Area Total	4,440,320	4,440,320	2,734,174
Pense Area			
Rural Municipalities			
129 Bratt's Lake	5,196	5,196	4,744
130 Redburn	95,580	95,580	94,461
131 Baildon	33,059	33,059	33,614
159 Sherwood	53,237	53,237	51,072
160 Pense	278,288	278,288	251,350
161 Moose Jaw	145,939	145,939	130,324
189 Lumsden	21,223	21,223	18,969
190 Dufferin	32,936	32,936	28,121
191 Marquis	14,322	14,322	14,134
	679,780	679,780	626,789
Urban Municipalities			
Village of Belle Plaine	5,349	5,349	4,932
Village of Bethune	7,710	7,710	7,109
Village of Briercrest	2,444	2,444	2,254
Village of Disley	1,295	1,295	1,194
Village of Drinkwater	5,432	5,432	5,009
Village of Grand Coulee	9,089	9,089	8,380
Village of Pense	42,373	42,373	39,070
Village of Tuxford	1,839	1,839	1,695
	75,531	75,531	69,643
Area Total	755,311	755,311	696,432
Total tax sharing - to Statement 2	$ 15,833,541	$ 15,807,126	$ 10,433,908